

NIO #221/77

31 January 1977

MEMORANDUM FOR: Acting Director of Central Intelligence  
FROM : Deputy to the DCI for National Intelligence  
SUBJECT : Likely Soviet View of Proposed US Defense Cuts

1. The Soviets could be expected to examine with great care the proposed defense cuts as the first concrete evidence of the Carter Administration's policies with respect to national defense and security issues. We believe the Soviets would welcome and be somewhat encouraged by such cuts, but would not view them as a clear indicator of Administration intentions over the long term. Moreover, past experience indicates that the Soviets would be very unlikely to cut back their own force improvement programs in response to unilateral US restraint.

2. We believe the Soviets would view the cuts as:

--intending to demonstrate the Administration's independence and grasp of the issues, and

--encouragement that the Administration will be fairly prompt in making decisions regarding the strategic arms limitation talks. (This may be reinforced by news that Mr. Warnke is to be named as Director of ACDA as well as Head of the US SALT Delegation.)

3. At the same time, the Soviets would perceive these cuts as minor adjustments resulting in only a slight reduction in the current net upswing in US defense spending. They would attribute the changes, in part, as fulfillment of campaign obligations to make changes. They would note that, in key strategic programs, only small delays were proposed. In programs related to SALT:

--B-1: they would be disappointed that this program was not being cancelled altogether and see the cutback as a step toward full authorization, pending further review;

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--MX ICBM: they would see only a slight deferral in the threat to their fixed ICBM force, not sufficient to warrant any change to their planning for its eventual deployment;

--Cruise Missile: they would consider deferral of the SLCM as a positive step, but the failure to cut all cruise missile programs would confirm to the Soviets the likelihood of further development and deployment of this type of weapon system.

4. In general purpose forces, the most important of the signals that these <sup>changes</sup> ~~cuts~~ would produce concern US force posture in Europe. Increases associated directly with US capabilities to execute a war in Europe, such as an accelerated aircraft sheltering program, improved military storage capabilities and increases in the Civil Reserve Air Fleet, show the US intent to redress the widely advertised weaknesses in US posture in Europe. The Soviets have publicly expressed their alarm over such programs since modifications associated with the Hunn Amendment began in 1975. On the other hand, the Soviets could view deferrals of selected aircraft and naval procurement programs to be little more than a rationalization of US military posture.

5. NATO perceptions of the modifications probably would be favorable -- viewing the changes as a signal of US support to NATO and keeping open procurement decisions (i.e., the F-15) which impact on the issues of standardization and cooperative weapon procurement projects.

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